

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1154

Introduced by Assembly Member Frommer
(Coauthor: Senator Ortiz)

February 21, 2003

An act to add and repeal Section 127032 of the Health and Safety Code, relating to health planning, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1154, as amended, Frommer. Office of Statewide Health Planning and Development: hiring freeze: exemption.

Existing law requires the Office of Statewide Health Planning and Development to perform various functions and duties with respect to health facilities, health policy and planning, and health professions development.

Existing law establishes the Hospital Building Fund as a continuously appropriated fund for purposes of carrying out the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983.

This bill would exempt the office *positions funded by the Hospital Building Fund* from any hiring freezes and staff cutbacks until January 1, 2013.

Existing law generally provides that on and after July 1, 2003, no moneys in any fund that, by any statute other than a Budget Act, is continuously appropriated without regard to fiscal years, may be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

This bill, notwithstanding the above provision, would continuously appropriate moneys for the functions of the office derived from the Hospital Building Fund, if a Budget Act is not enacted by July 1 of the fiscal year until the annual Budget Act is enacted.

The bill would also authorize the office to add positions funded by the Hospital Building Fund prior to January 1, 2006, in order to avoid undue delays of plan review and area compliance to support the implementation of the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983.

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Under the *Alfred E. Alquist Hospital Facilities Seismic*
4 *Safety Act of 1983 (HFSSA)* (Chapter 1 (commencing with
5 Section 129675) of Part 7 of Division 107 of the Health and Safety
6 Code), California general acute care inpatient hospital buildings
7 are required to meet life safety standards by 2008. Hospitals may
8 be eligible for up to a five-year extension of the 2008 deadline. The
9 act also requires all general acute care inpatient hospital buildings
10 to be in substantial compliance with the HFSSA by 2030.

11 (b) The purpose of the mandate is to ensure that hospital
12 patients and workers are safe during an earthquake and that the
13 public can access hospital services following an earthquake. The
14 California Healthcare Association conservatively estimates the
15 cost of the seismic mandate at \$24 billion without financing costs.
16 The RAND Corporation estimates the mandate could cost as much
17 as \$41 billion without financing costs.

18 (c) The Office of Statewide Health Planning and Development
19 (OSHPD) conducts plan review and area compliance of all
20 hospital projects. General Fund money does not pay for OSHPD
21 Facilities Development Division (FDD) costs. The costs are paid
22 for by hospitals through a 1.64 percent fee assessed on a project's
23 cost.

24 (d) OSHPD's goal is to complete the initial review of a project
25 in 60 days and to complete any subsequent reviews in 30 days. For
26 a major project, such as a new hospital, OSHPD estimates the time

1 to review the initial project and all subsequent checks necessary to
2 complete the review is one year. Due to the review process and the
3 stricter seismic standards, it takes approximately five years to
4 build and open a new hospital in California. This compares to the
5 two to three years it would take to build a similar hospital in most
6 other states. The existing plan review and area compliance process
7 adds considerably to California hospital's construction costs.

8 (e) With the large number of projects being submitted to
9 OSHPD FDD to meet the seismic compliance standards, delays of
10 one week could add millions of dollars to costs to California
11 hospital construction and retrofits.

12 (f) Therefore, it is essential that OSHPD FDD has adequate
13 resources to carry out the plan review and area compliance
14 activities required by the seismic mandate. To ensure that this
15 ~~incurs~~ occurs, the OSHPD FDD needs to be exempt from any state
16 hiring freezes and staff budget cuts until the mandate is met by
17 January 1, 2013.

18 SEC. 2. Section 127032 is added to the Health and Safety
19 Code, to read:

20 127032. (a) (1) Notwithstanding Section 12439 of the
21 Government Code or any other provision of law, the office
22 *positions funded by the Hospital Building Fund* shall be exempt
23 from any hiring freezes and staff cutbacks.

24 ~~(b)~~
25 (2) *Notwithstanding Section 13340 of the Government Code, in*
26 *any fiscal year in which the Budget Act is not enacted by July 1 of*
27 *the fiscal year, moneys for the functions of the office derived from*
28 *the Hospital Building Fund shall be continuously appropriated*
29 *without regard to fiscal years until the date the annual Budget Act*
30 *is enacted. The Department of Finance may, upon enactment of the*
31 *Budget Act and in the absence of this action being taken by the*
32 *Legislature or the Governor in that Budget Act, reduce the*
33 *applicable Budget Act allocations by the amount of any payments*
34 *pursuant to this paragraph.*

35 (b) *The office may add positions funded by the Hospital*
36 *Building Fund prior to January 1, 2006, in order to avoid undue*
37 *delays of plan review and area compliance to support the*
38 *implementation of the Alfred E. Alquist Hospital Facilities Seismic*
39 *Safety Act of 1983 (Chapter 1 (commencing with Section 129675)*
40 *of Part 7).*

1 (c) This section shall remain in effect only until January 1,
2 2013, and as of that date is repealed, unless a later enacted statute,
3 that is enacted before January 1, 2013, deletes or extends that date.

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